

To: House Transportation Committee

From: Wendi Stark, Research Associate

Date: January 31, 2023

RE: Neutral Testimony to HB 2004

Thank you to Chairman Francis and Committee members for allowing the League of Kansas Municipalities the opportunity to provide neutral testimony for HB 2004.

The intent of HB 2004 is to supplement losses in revenue from the gasoline tax, by capturing revenue from public electric vehicle (EV) charging stations. While we support efforts to fund road construction and repairs on Kansas roads, we do have a concern about HB 2004 as written.

We are concerned that New Section 1 (a) (4) (d) indicates that all taxes collected shall be deposited in entirety into the state highway fund. Currently, the distribution of vehicle fuel taxes is split between the state (66.37%) and the special city and county highway fund (33.63%) in K.S.A. 79-34,142.

The League suggests that the language of New Section 1 (a) (4) (d) be amended as shown in bold.

(d) The director of taxation shall remit all taxes collected under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state highway fund **and dispersed in accordance with K.S.A. 79-34,142.**

Due to our concern about the funding formula for public EV charging stations, we would encourage the committee to consider amending the bill to ensure that the current vehicle fuel tax funding formula is used to capture revenue generated by the EV tax, and with the concern we raised with the bill, as written, we believe this concern is worth further consideration if HB 2004 is to be considered by the full House.